

CALENDAR ITEM  
**C27**

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08/24/06

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PRC 7638.1

T. Lipscomb

**ASSIGNMENT OF LEASE**

**LESSEE/ASSIGNOR:**

Tosco Refining Company,  
a Division of Tosco Corporation  
Avon Refinery  
Martinez, CA 94553

**ASSIGNEE:**

ConocoPhillips Company  
1232 Park Street, Suite 300  
Paso Robles, CA 93446

**AREA, LAND TYPE, AND LOCATION:**

0.04 acres, more or less, of tide and submerged lands in Taylor Slough, at Bethel Island, Contra Costa County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing six-inch diameter steel natural gas pipeline.

**LEASE TERM:**

30 years, beginning July 1, 1992.

**CONSIDERATION:**

\$100 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**SPECIFIC LEASE PROVISIONS:**

Insurance: Combined single limit coverage of \$1,000,000.

Surety Bond: \$10,000.

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Other: Lease required to provide details of the annual pipeline inspection procedures and copies of inspection reports.

**OTHER PERTINENT INFORMATION:**

1. Assignee has the right to use the uplands adjoining the lease premises.
2. On June 30, 1992, the Commission authorized a General Lease - Right of Way Use Lease No. PRC 7638.1 for a six-inch natural gas pipeline with Tosco Refining Company, a Division of Tosco Corporation. This is a gathering pipeline that serves to connect an existing gas well on Bethel Island with a pipeline on Jersey Island. The lease will expire on June 30, 2022.
3. On January 1, 2003, Tosco Corporation merged with Phillips Petroleum Corporation. The Surviving Corporation of the merger, is ConocoPhillips Company, who is now applying for an assignment of the lease.
4. This gathering pipeline does not appear to fall within the jurisdiction of any of the pipeline regulators because it is in a rural area and because it is six-inches in diameter, however the pipeline is cathodically protected. The pipeline was last inspected on October 4, 2005 and no problems were discovered and no violations have been reported to staff.
5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

**EXHIBIT:**

- A. Location Map

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

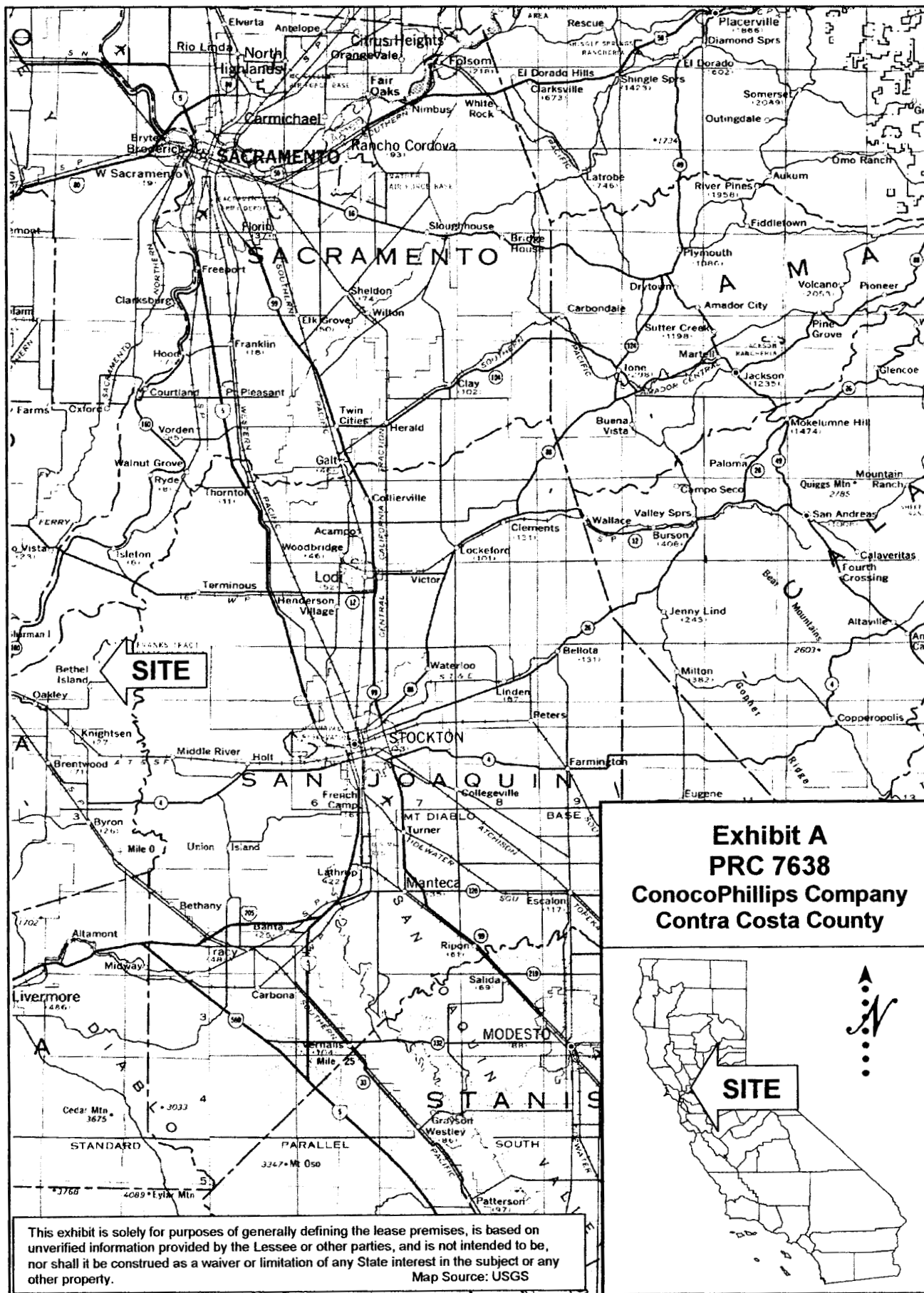
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**CEQA FINDING:**

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

**AUTHORIZATION:**

AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 7638.1, A GENERAL LEASE - RIGHT OF WAY USE OF TIDE AND SUBMERGED LANDS IN TAYLOR SLOUGH, AT BETHEL ISLAND, CONTRA COSTA COUNTY AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM TOSCO REFINING COMPANY, A DIVISION OF TOSCO CORPORATION, TO CONOCOPHILLIPS COMPANY; EFFECTIVE JANUARY 1, 2003.



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